



CONSULTING GROUP, INC.

RESOURCES • RESPECT • RESPONSIBILITY

## Study Session: Review of Recology's FY2019-20 Rate Application



**PRESENTATION TO:**

City Council, City of San Bruno

April 16, 2019



CONSULTING  
GROUP, INC.

# Recology San Bruno



- ▶ Recology San Bruno is your solid waste services provider
  - Curbside garbage, recycling and organics collection for residents, businesses, gov.
  - Recyclables sorting and sale, garbage landfilling, organics composting
  - Other collection and recycling services
  - Supports City implementation of State mandates
- ▶ Compensation for services via rates paid by customers



# Changing Cost of Recycling

- ▶ Economics of recycling have shifted due to “China Sword” in 2018
- ▶ Recommended 2019 rates include increased processing costs
- ▶ Recycling still occurring and still required by State law
- ▶ Future net costs depend on markets
- ▶ R3 recommends that future rate adjustments apply any increases in recycling revenues to offset rates



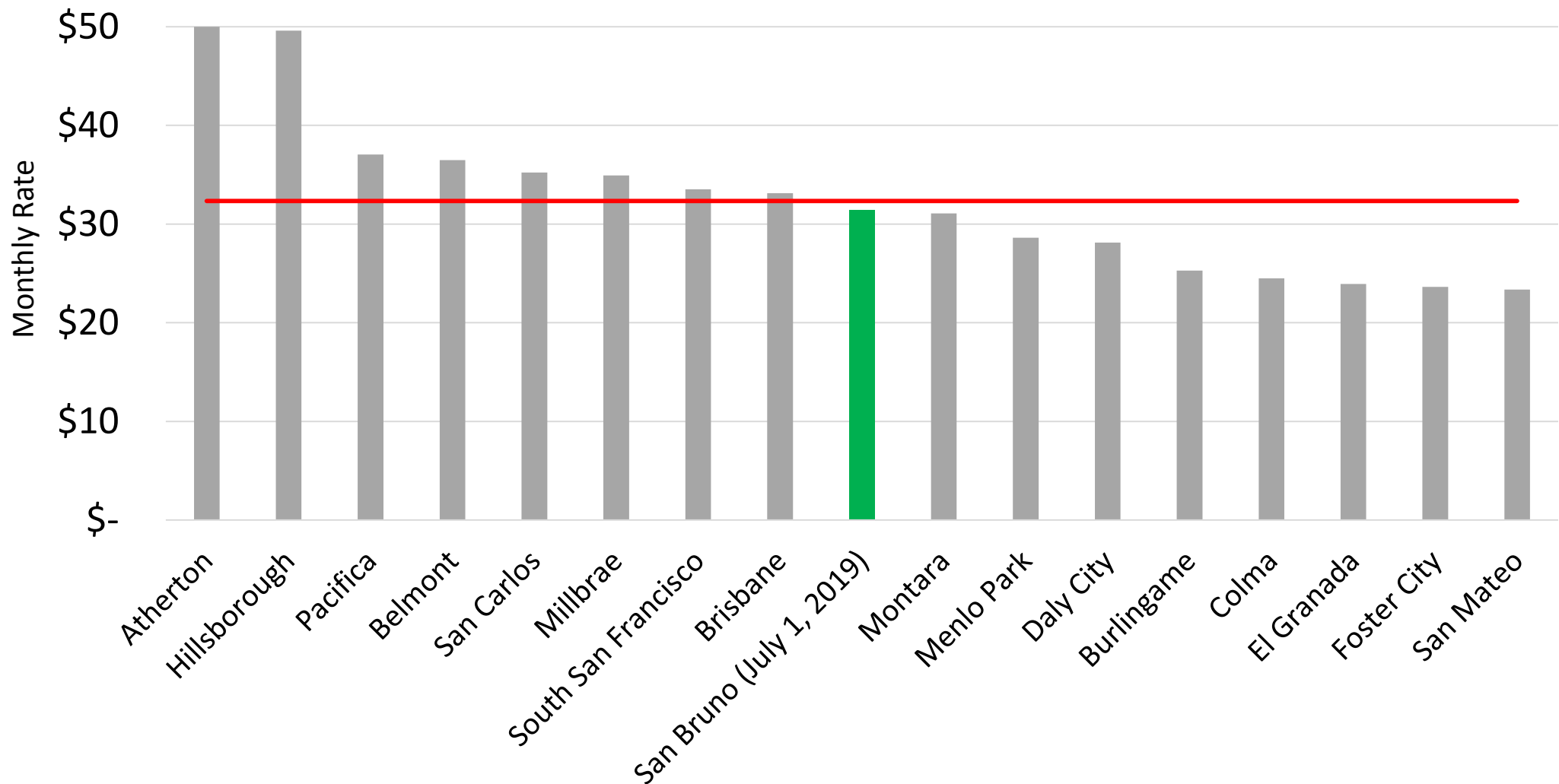
# FY2019-20 Rate Adjustment

- ▶ Recology applied for a 5.34% rate increase
  - Changes in recycling marketplace
  - Changes in garbage landfilling and organics processing
  - Changes in route labor and other costs
- ▶ R3 recommends 4.43% rate increase, after adjustments to Recology's projections
  - Landfill disposal and organics processing
  - Capital depreciation
  - Actual revenues at current rates
  - City fees paid by Recology



# How does San Bruno compare?

Comparison of Monthly Residential 32-Gallon Garbage Rates  
Select Cities in San Mateo County



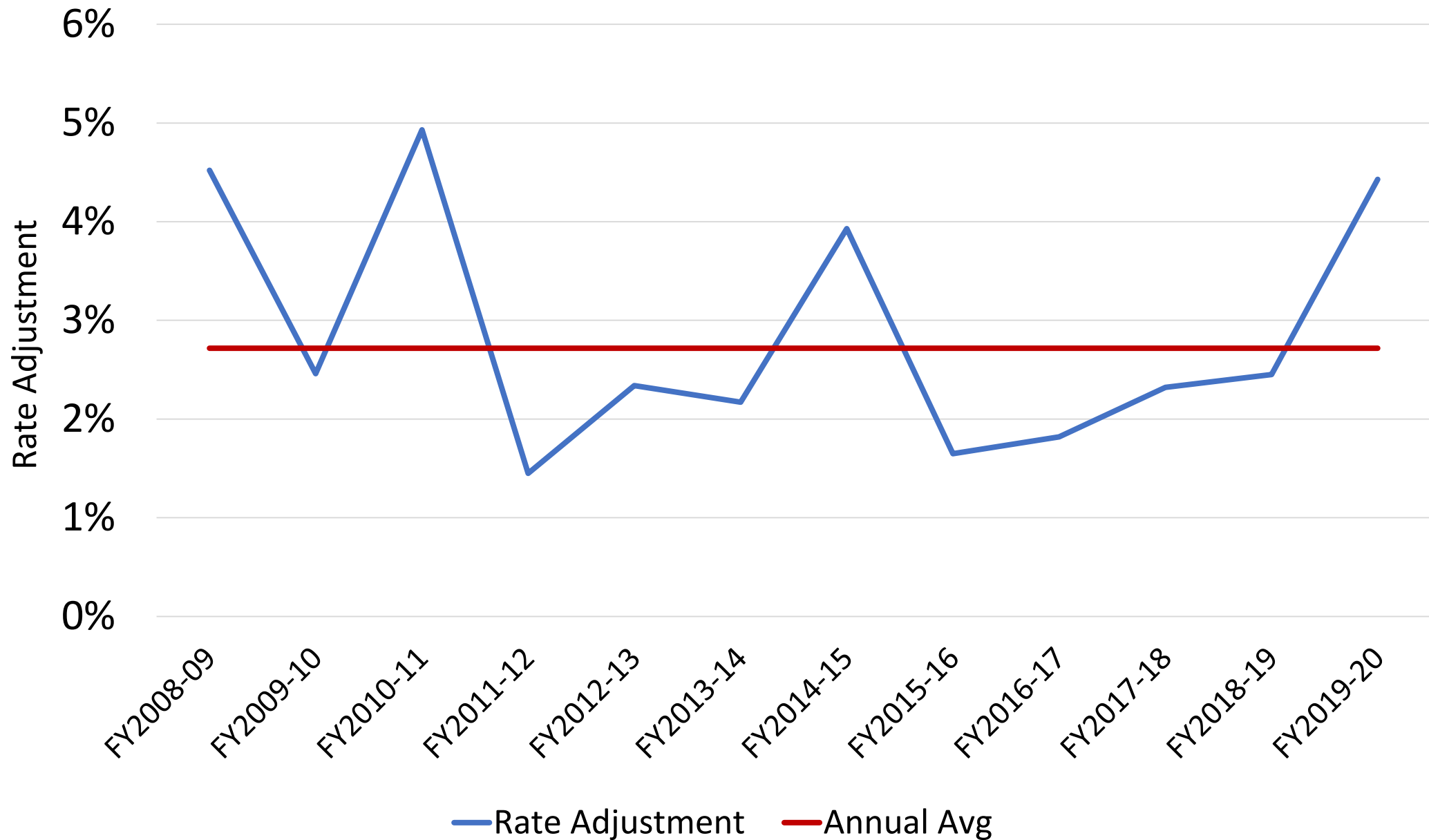


# Why are rates going up?

- ▶ 4.43% increase for 32-gallon residential bill  
= increase of \$1.33/month
  - Collection route labor \$0.53/month
  - Recyclables processing cost \$0.25/month
  - General and administrative \$0.21/month
  - Government fees \$0.19/month
  - Garbage landfilling \$0.13/month
  - Organics Processing \$0.07/month
  - Truck operations \$0.06/month
  - Depreciation (\$.11/month)



# San Bruno Rates Over Time



## THANK YOU FOR YOUR TIME

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For additional questions, contact:

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